

## Message Text

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64

ACTION EB-07

INFO OCT-01 EA-07 ISO-00 FEA-01 ERDA-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 FPC-01 H-02 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

SAM-01 OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 /097 W

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R 290932Z OCT 76

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 2080

C O N F I D E N T I A L MANILA 16830

E. O. 11652: GDS

TAGS: ENRG, RP

SUBJECT: CALTEX RESPONSE TO MARCOS DECISION ON CALTEX/MERALCO  
DISPUTE

REF: MANILA 14462

1. CALTEX HAS DECIDED "NOT TO MAKE A MAJOR ISSUE" OF THE  
APPEAL DECISION ISSUED BY THE OFFICE OF THE PRESIDENT  
THROUGH THE OIC, ACCORDING TO BILL DUNNING, PRESIDENT OF  
CALTEX PHILIPPINES.

2. CALTEX CHAIRMAN VOSS HAS SENT A CABLE TO PRESIDENT MARCOS  
REGRETTING THE DECISION THAT CALTEX MUST REPAY MERALCO  
60 MILLION PESOS. VOSS SAID, REPORTS DUNNING, THAT HE WAS  
DISAPPOINTED THE DISPUTE WAS NOT AMICABLY SETTLED AND THAT THE  
FINAL RESULT DID NOT CORRESPOND WITH THE UNDERSTANDING VOSS  
FELT HE HAD REACHED WITH MARCOS DURING THE JUNE VISIT.  
VOSS WENT ON TO POINT OUT THAT THE ENTIRE OIL INDUSTRY IN  
THE PHILIPPINES IS IN SERIOUS TROUBLE BECAUSE IT CAN'T GET  
PRICE INCREASES. HE THEN ASKED WHAT MARCOS WANTED OF CALTEX  
AND THE INDUSTRY IN GENERAL.

3. FYI. TONY DEL ROSARIO, EXECUTIVE DIRECTOR OF  
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PNOC, REPORTS THAT PETROPHIL OPERATED P50MILLION  
IN THE BLACK IN THE FIRST HALF OF 1976 DUE TO LAST

DECEMBER'S PRICE INCREASE. NORMAN FARR SAYS MOBIL IS MAKING MONEY THIS YEAR ALSO. CALTEX ACKNOWLEDGES IT IS "CLOSE TO THE BREAKEVEN POINT" IN SPITE OF THE MERALCO DECISION.

4. DUNNING (CALTEX) SAYS CONTACTS IN THE PALACE REPORTED THE PRESIDENT WAS NOT ANGERED BY THE CABLE, AND WANTS TO TALK WITH DUNNING ABOUT IT. DUNNING HAS HAD A COUPLE OF RECENT APPOINTMENTS WITH MARCOS BROKEN DUE TO OTHER PRESSING BUSINESS (ONE CONFLICTED WITH THE PLAZA MIRANDA RIOTS AND THE SECOND WITH THE RECENT CABINET MEETING TO ANNOUNCE REFERENDUM RESULTS).

5. BILL DUNNING PROMISED TO BRIEF US FIRST-HAND AFTER THE MARCOS INTERVIEW TAKES PLACE.  
SULLIVAN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM INDUSTRY, NATIONALIZATION, DISPUTES, NEGOTIATIONS, CONTRACTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 OCT 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ElyME  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**TAGS:** ENRG, EINV, RP, CALTEX, MERALCO  
**To:** STATE  
**Type:** TE  
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